

## Message Text

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ORIGIN AF-10

INFO OCT-01 DODE-00 ISO-00 PM-05 NSC-05 SP-02 SS-15  
CIAE-00 INR-10 NSAE-00 /048 R

DRAFTED BY AF/C:RIMARCUS:LAR

APPROVED BY AF/C:LDJUNIOR

PM/SAS:CCECIL

DOD/DSAA:RHAMMOND

SAAC:CLARSON

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R 222232Z JUN 78

FM SECSTATE WASHDC

TO AMEMBASSY LIBREVILLE

INFO SECDEF WASHDC 0569

AFAFC LOWRY AFB CO//SAAC/FSAE//

UNCLAS STATE 159708

E.O. 11652:N/A

TAGS: MASS, GB

SUBJECT: FMS BILLINGS

REFS: A) TIENKEN/MARCUS LETTER OF MAY 24; B) APRIL 20

DD-645

1. DESK OFFICER MARCUS MET WITH REP FROM SECURITY ASSISTANCE ACCOUNTING CENTER (SAAC) TO DISCUSS QUESTIONS RAISED BY REF A. IN THE FUTURE, SAAC, WHICH IS RESPONSIBLE FOR REQUESTING PAYMENTS FROM FMS CUSTOMERS, WILL FORWARD TO EMBASSY FMS BILLS ACCOMPANIED BY TRANSMITTAL LETTER ADDRESSED TO THE APPROPRIATE GOG OFFICIAL (REQUEST EMBASSY PROVIDE NAME AND TITLE) AND WRITTEN IN SUCH A MANNER TO MINIMIZE MISUNDERSTANDING AND FACILITATE TRANSLATION INTO FRENCH.

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2. LETTER AND ACCOMPANYING DD-645 (BILLING STATEMENT) DEALS ONLY WITH FMS SALES PROGRAM, MANAGED BY SAAC. DD-645 INDICATES STATUS OF PAYMENTS FOR FMS GOODS AND SERVICES. THESE PAYMENTS ARE MADE EITHER DIRECTLY BY THE HOST COUNTRY (CASH SALES) OR BY DRAWING ON FMS CREDIT FINANCING AVAILABLE TO THE HOST COUNTRY. THE CREDIT PROGRAM IS MANAGED

BY THE DEFENSE SECURITY ASSISTANCE AGENCY (DSAA). THE STATEMENT YOU RECEIVED DOES NOT REPEAT NOT DEAL WITH

GABON'S FMS CREDIT FINANCING DEBT TO THE USG.

3. IN ADDITION, REFERENCED DD-645 DEALS ONLY WITH FMS CASES FOR WHICH US ARMY IS SUPPLIER. A SEPARATE DD-645 IS PREPARED FOR FMS CASES HANDLED BY US NAVY (CASES AAA AND LAA). SAAC ADVISES IT HAS RECEIVED \$29,364.37 IN PAYMENT MAY 5. MOREOVER \$301.21 INTEREST ON LATE PAYMENT IS STILL OUTSTANDING AND IS REQUIRED TO SETTLE THESE CASES.

4. ON REF DD-645, CUMULATIVE PAYMENTS RECEIVED (COLUMN 13) SHOWS \$2 MILLION. THIS REPRESENTS FULL DISBURSEMENT OF FY 76 FMS CREDIT WHICH IS TO BE USED BY SAAC TO REIMBURSE THE US ARMY FOR ITS PURCHASE OF CADILLAC-GAGE ARMORED CARS. OF THAT AMOUNT, ONLY \$486,409 (COLUMN 10) WAS ACTUALLY TRANSFERRED TO THE ARMY AS OF BILLING DATE. THE NEXT QUARTERLY STATEMENT WILL SHOW A MUCH GREATER DRAWDOWN OF FUNDS (CLOSE TO \$2 MILLION) IN COLUMNS 11 AND 12, REFLECTING FACT THAT ARMY HAS PAID ADDITIONAL PROGRESS PAYMENTS FOR VEHICLES WHICH HAVE BEEN READY FOR DELIVERY SINCE FEBRUARY AND STANDS TO BE REIMBURSED BY SAAC.

5. ENTIRE \$2 MILLION FY 76 CREDIT WAS FULLY DISBURSED, AND AS LONG AS THESE FUNDS ARE SUFFICIENT TO COVER FINAN-

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CIAL REQUIREMENTS OF FMS CASE UAA, NO ACTION NEED BE TAKEN BY GOG. BILLING STATEMENT IS FOR INFORMATIONAL PURPOSES, PROVIDING GOG WITH INFO ON STATUS OF DELIVERIES AND PAYMENTS TO SUPPLIER (IN THIS INSTANCE, THE US ARMY).

6. HOWEVER, WHEN FINANCIAL REQUIREMENTS EXCEED \$2 MILLION, AS WILL BE THE CASE IN FUTURE BILLINGS SINCE CURRENT ESTIMATED COST OF CASE UAA TOTALS \$2,185,171, GOG SHOULD INSTRUCT AMBASSADOR MAMBOUKA TO MAKE REQUEST FOR ADVANCE OF FUNDS FROM FY 77 CREDIT FOR AMOUNT DUE. GOG SHOULD BE AWARE, HOWEVER, THAT DISBURSEMENT OF THESE FUNDS WILL BE WITHHELD PENDING RECEIPT OF PAYMENT OF ARREARAGES ON OUTSTANDING FMS LOANS.

7. IN SUMMARY, SAAC BILLING STATEMENT IS INTENDED TO ADVISE GOG OF (1) COSTS OF MATERIAL/WORK IN PROGRESS AND DELIVERIES, (2) HOW MUCH THE SAAC HAS COLLECTED FROM GABON, EITHER DIRECTLY AS IN CASH SALES OR INDIRECTLY AS IN CREDIT TRANSACTIONS, AND AMOUNT, IF ANY, GABON OWES ON INDIVIDUAL SALES CONTRACTS. ALTHOUGH GABON IS IN FINE SHAPE ON ITS PAYMENTS TO THE SAAC FOR GOODS AND SERVICES (EXCEPTING AMOUNT OWED MENTIONED PARA 3 ABOVE), THE FINAN-

CERS (DSAA COMPTROLLER FOR FY 76 CREDIT AND FEDERAL FINANCING BANK FOR FY 77 CREDIT) REMAIN TO BE PAID.

8. SAAC WILL FORWARD TO EMBASSY DD-645 INSTRUCTIONS WHICH SPELL OUT IN GREATER DETAIL INTERPRETATION OF BILLING STATEMENT. VANCE

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## Message Attributes

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